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09/465,607	12/17/1999	TIMOTHY M. KEISER	98-HSX001-C1	9080

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DEAN P. ALDERUCCI
CANTOR FITZGERALD, L.P.
110 EAST 59TH STREET (6TH FLOOR)
NEW YORK, NY 10022

EXAMINER
GRAHAM, CLEMENT B

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) ☒ Responsive to communication(s) filed on _1/7/08_.
2a) ☐ This action is **FINAL**.   2b) ☒ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) ☒ Claim(s) _1-22_ is/are pending in the application.
     4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) _1-22_ is/are rejected.
7) ☐ Claim(s) _____ is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
     Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
     Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
     a) ☐ All   b) ☐ Some * c) ☐ None of:
        1. ☐ Certified copies of the priority documents have been received.
        2. ☐ Certified copies of the priority documents have been received in Application No. _____.
        3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
     * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
     Paper No(s)/Mail Date _1/26/05, 2/28/05, 5/13/04, 5/14/04_.

4) ☐ Interview Summary (PTO-413)
     Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Information Disclosure Statement

1.   The information disclosure statement filed on 6/4//04, 7/11/2000, 10/30/02 fails to

comply with 37 CFR 1.98(a)(1), which requires the following: (1) a list of all patents,

publications, applications, or other information submitted for consideration by the Office;

(2) U.S. patents and U.S. patent application publications listed in a section separately

from citations of other documents; (3) the application number of the application in which

the information disclosure statement is being submitted on each page of the list; (4) a

column that provides a blank space next to each document to be considered, for the

examiner's initials; and (5) a heading that clearly indicates that the list is an information

disclosure statement. The information disclosure statement has been placed in the

application file, but the information referred to therein has not been considered.

2.   In view of the Appeal Brief filed on 1/7/2008 PROSECUTION IS HEREBY
REOPENED. New grounds of rejections are set forth below.
       To avoid abandonment of the application, appellant must exercise one of the
following two options:
       (1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply
under 37 CFR 1.113 (if this Office action is final); or,
       (2) request reinstatement of the appeal.
       If reinstatement of the appeal is requested, such request must be accompanied
by a supplemental appeal brief, but no new amendments, affidavits (37 CFR 1.130,
1.131 or 1.132) or other evidence are permitted. See 37 CFR 1.193(b)(2).

3.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or
> any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and
> requirements of this title.

4.   Claims 1, 19-20, 22 are rejected under 35 U.S.C. 101 because the claimed invention is

directed to non-statutory subject matter.

Claims 1, 19-20, 22, recite a process comprising: receiving an order, setting market price, executing trade. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker* v. *Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane* v. *Deener*, 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Claims 1, 19-20, 22, are directed towards a computer based system comprising modules or steps. Modules and steps can be interpreted at consisting of software per se, and software is not a patentable subject matter because it is not fall under a statutory class as being a process, machine, manufacture, or composition of matter.

Claim Rejections - 35 USC § 103

5.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

6.   Claims 1-22, are rejected under 35 U.S.C. 103(a) as being unpatentable over Lupien et al (Hereinafter Lupien U.S Patent 5, 845, 266) in view of Rossides U.S Patent 6, 443, 841.

As per Claim 1, Lupien discloses a method for trading a plurality of derivative financial instruments over the Internet, comprising:
receiving a first order to buy a derivative financial instrument that selectively represents a movie or a movie talent in an entertainment industry, said movie corresponding to a stock and said movie talent corresponding to a bond for trading over the Internet;

receiving a second order to sell said derivative financial instrument (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

Lupien fail to explicitly teach setting a market price based on the received first and second orders; and executing a trade at the set market price.

However Rossides discloses the CSUB includes the following steps for enabling a user to auction his bet offer using an open auction where all price offers are displayed: input and store a first user's designation of an open auction offer where all prices are displayed, input the first user's bet statement, choice of side, stake, minimum bid, and deadline for submission of bids, store the bet offer in the user's UBSR, display the bet offer, including the auction designation, the minimum bid requirement and the deadline, check if the deadline has expired, if the deadline has not expired, check if a user (a bidder) has entered a Bid command since the last time the deadline was checked (see column 35 lines 41-67 and column 36 lines 1-18).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include setting a market price based on the received first and second orders; and executing a trade at the set market price taught by Rossides in order to a system for storing, displaying, modifying and executing bet backed statements.

As per Claim 2, Lupien discloses further comprising setting a price for a new stock offering on the basis of a potential box office revenue for a movie represented by said new stock offering (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 3, Lupien discloses further comprising setting a price for a new bond offering on the basis of a talent's popularity rating in the entertainment industry, such that one bond representing one talent with a low popularity rating is issued with a higher yield than another bond representing another talent with a high popularity rating (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 4, Lupien discloses wherein the set market price is represented by electronic currency (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 5, Lupien discloses further comprising debiting a first account controlled by a first trader who issued said first order in the electronic currency for the executed trade, and crediting a second account controlled by a second trader who issued said second order with

proceeds in the electronic currency for the executed trade (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 6, Lupien discloses wherein the electronic currency is Hollywood dollars (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 7, Lupien discloses wherein the set market price reflects a current production status of said movie (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 8, Lupien discloses wherein the set market price is indicative of the traders' interest in said movie such that a potential box office revenue for said movie may be predicted far in advance of the movie release (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 9, Lupien discloses wherein the set market price is indicative of the traders' interest in said talent such that a potential box office revenue for said movie may be predicted far in advance of the movie release (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 10, Lupien discloses a system for trading a plurality of derivative financial instruments over the Internet, comprising:
means for receiving a first order to buy a derivative financial instrument that selectively represents a movie or a movie talent in an entertainment industry(see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61) said movie corresponding to a stock and said movie talent corresponding to a bond for trading over the Internet, means for receiving a second order to sell said derivative financial instrument means for (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

Lupien fail to explicitly teach means for setting a market price based on the received first and second orders and means for executing a trade at the set market price.

However Rossides discloses the CSUB includes the following steps for enabling a user to auction his bet offer using an open auction where all price offers are displayed: input and store a first user's designation of an open auction offer where all prices are displayed, input the first user's bet statement, choice of side, stake, minimum bid, and deadline for submission of bids, store the bet offer in the user's UBSR, display the bet offer, including the auction designation, the minimum bid requirement and the deadline, check if the deadline has expired, if the deadline has

not expired, check if a user (a bidder) has entered a Bid command since the last time the deadline
was checked (see column 35 lines 41-67 and column 36 lines 1-18).

Therefore it would have been obvious to one of ordinary skill in the art at the time the
invention was made to modify the teachings of Lupien to include means for setting a market
price based on the received first and second orders and means for executing a trade at the set
market price taught by Rossides in order to a system for storing, displaying, modifying and
executing bet backed statements.

As per Claim 11, Lupien discloses further comprising means for setting a price for a new
stock offering on the basis of a potential box office revenue for a movie represented by said new
stock offering (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 12, Lupien discloses further comprising means for setting a price for a new
bond offering on the basis of a talent's popularity rating in the entertainment industry, such that
one bond representing one talent with a low popularity rating is issued with a higher yield than
another bond representing another talent with a high popularity rating (see column 5 lines 65-67
and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 13, Lupien discloses wherein the set market price is represented by electronic
currency (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 14, Lupien discloses further comprising means for debiting a first account
controlled by a first trader who issued said first order in the electronic currency for the executed
trade, and means for crediting a second account controlled by a second trader who issued said
second order with proceeds in the electronic currency for the executed trade (see column 5 lines
65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 15, Lupien discloses wherein the electronic currency is Hollywood
dollars (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 16, Lupien discloses wherein the set market price reflects a current
production status of said movie (see column 5 lines 65-67 and column 6 lines 1-67 and column 7
lines 1-61).

As per Claim 17, Lupien discloses wherein the set market price is indicative of the traders'
interest in said movie such that a potential box office revenue for said movie may be predicted

far in advance of the movie release (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 18, Lupien discloses wherein the set market price is indicative of the traders' interest in said talent such that a potential box office revenue for said movie may be predicted far in advance of the movie release (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

As per Claim 19, Lupien discloses a computer readable storage medium for storing program code means for, when executed, causing a computer to perform a method for trading a plurality of derivative financial instruments over the Internet, the method comprising:
receiving a first order to buy a derivative financial instrument that selectively represents a movie or a movie talent in an entertainment industry, said movie corresponding to a stock and said movie talent corresponding to a bond for trading over the Internet;
receiving a second order to sell said derivative financial instrument(see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

Lupien fail to explicitly teach setting a market price based on the received first and second orders and executing a trade at the set market price.

However Rossides discloses the CSUB includes the following steps for enabling a user to auction his bet offer using an open auction where all price offers are displayed: input and store a first user's designation of an open auction offer where all prices are displayed, input the first user's bet statement, choice of side, stake, minimum bid, and deadline for submission of bids, store the bet offer in the user's UBSR, display the bet offer, including the auction designation, the minimum bid requirement and the deadline, check if the deadline has expired, if the deadline has not expired, check if a user (a bidder) has entered a Bid command since the last time the deadline was checked (see column 35 lines 41-67 and column 36 lines 1-18).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include setting a market price based on the received first and second orders and executing a trade at the set market price taught by Rossides in order to a system for storing, displaying, modifying and executing bet backed statements.

As per Claim 20, Lupien discloses a method for trading a plurality of derivative financial instruments over the Internet, comprising:
receiving a first order to buy a derivative financial instrument that selectively represents a movie or movie talent in an entertainment industry, said movie corresponding to a stock and said movie talent corresponding to a bond for trading over the Internet receiving a second order to sell said derivative financial instrument (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

Lupien fail to explicitly teach setting a market price based at least in part on criteria associated with the movie or the movie talent and executing a trade at the set market price.

However Rossides discloses the CSUB includes the following steps for enabling a user to auction his bet offer using an open auction where all price offers are displayed: input and store a first user's designation of an open auction offer where all prices are displayed, input the first user's bet statement, choice of side, stake, minimum bid, and deadline for submission of bids, store the bet offer in the user's UBSR, display the bet offer, including the auction designation, the minimum bid requirement and the deadline, check if the deadline has expired, if the deadline has not expired, check if a user (a bidder) has entered a Bid command since the last time the deadline was checked (see column 35 lines 41-67 and column 36 lines 1-18).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include setting a market price based at least in part on criteria associated with the movie or the movie talent and executing a trade at the set market price taught by Rossides in order to a system for storing, displaying, modifying and executing bet backed statements.

As per Claim 21, Lupien discloses a system for trading a plurality of derivative financial instruments over the Internet, comprising:
means for receiving a first order to buy a derivative financial instrument that selectively represents a movie or movie talent in an entertainment industry, said movie corresponding to a stock and said movie talent corresponding to a bond for trading over the Internet means for receiving a second order to sell said derivative financial instrument (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

Lupien fail to explicitly teach means for setting a market price based at least in part on criteria associated with the movie or the movie talent and means for executing a trade at the set market price.

However Rossides discloses the CSUB includes the following steps for enabling a user to auction his bet offer using an open auction where all price offers are displayed: input and store a first user's designation of an open auction offer where all prices are displayed, input the first user's bet statement, choice of side, stake, minimum bid, and deadline for submission of bids, store the bet offer in the user's UBSR, display the bet offer, including the auction designation, the minimum bid requirement and the deadline, check if the deadline has expired, if the deadline has not expired, check if a user (a bidder) has entered a Bid command since the last time the deadline was checked (see column 35 lines 41-67 and column 36 lines 1-18).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include means for setting a market price based at least in part on criteria associated with the movie or the movie talent and means for executing a trade at the set market price taught by Rossides in order to a system for storing, displaying, modifying and executing bet backed statements.

As per Claim 22, Lupien discloses a computer-readable storage medium for storing program code means for, when executed, causing a computer to perform a method for trading a plurality of derivative financial instruments over the Internet, comprising:
receiving a first order to buy a derivative financial instrument that selectively represents a movie or movie talent in an entertainment industry, said movie corresponding to a stock and said movie talent corresponding to a bond for trading over the Internet;
receiving a second order to sell said derivative financial instrument (see column 5 lines 65-67 and column 6 lines 1-67 and column 7 lines 1-61).

Lupien fail to explicitly teach setting a market price based at least in part on criteria associated with the movie or the movie talent and executing a trade at the set market price.

However Rossides discloses the CSUB includes the following steps for enabling a user to auction his bet offer using an open auction where all price offers are displayed: input and store a first user's designation of an open auction offer where all prices are displayed, input the first user's bet statement, choice of side, stake, minimum bid, and deadline for submission of bids,

store the bet offer in the user's UBSR, display the bet offer, including the auction designation, the

minimum bid requirement and the deadline, check if the deadline has expired, if the deadline has

not expired, check if a user (a bidder) has entered a Bid command since the last time the deadline

was checked (see column 35 lines 41-67 and column 36 lines 1-18).

Therefore it would have been obvious to one of ordinary skill in the art at the time the

invention was made to modify the teachings of Lupien to include setting a market price based at

least in part on criteria associated with the movie or the movie talent and executing a trade at the

set market price taught by Rossides in order to a system for storing displaying modifying and

executing bet backed statements.

CONCLUSION

Response to Arguments

7.   Applicant's arguments files on 1/7/08 have been fully considered but they are moot in view
of new grounds of rejections.

8.   Any inquiry concerning this communication or earlier communications from the

examiner should be directed to Clement B. Graham whose telephone number is 571-

272-6795. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, Thomas Dixon can be reached on (571) 272-6803. The fax phone number

for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system. Status information for

published applications may be obtained from either Private PAIR or Public PAIR.

Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see http://pair-direct.uspto.gov. Should

you have questions on access to the Private PAIR system, contact the Electronic

Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a

USPTO Customer Service Representative or access to the automated information

system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/THOMAS A DIXON/
Supervisory Patent Examiner, Art
Unit 3696

CG

Jan 4, 2009